GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3226
ANSWERED ON:11.08.2000
NEW GUIDELINES FOR NON-BANKING FINANCIAL COMPANIES
JASWANT SINGH YADAV

Will the Minister of FINANCE be pleased to state:

(a) Whether RBI has issued new guidelines to ease norms for Non-Banking Financial Companies;

(b) if so, the details thereof; and

(c) the extent to which the public is likely to be benefited as a result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR)

(a),(b) & (c) : A new regulatory framework was announced by RBI in January, 1998 to ensure that only financially sound and well run NBFCs are allowed access to public deposits.Some modifications were made in December, 1998 on the basis of the results of interaction with the industry representatives. Further modifications have been made by RBI on 30th June, 2000, to rationalize the norms applicable to non-banking financial companies for facilitating their proper functioning and thus securing the interests of depositors. In order to further protect the interests of depositors and strengthen the financial system, action has been initiated to introduce a new and comprehensive legislation.